

The **WorkPlace**

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Platform to Employment: Putting Long-Term Unemployed Back To Work

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THE WORKPLACE**

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- ❧ **The WorkPlace** is a Connecticut based 501(c)3 organization with no restrictions on the area it serves. We are a company of ideas and actions, all designed to strengthen the workforce. A for-profit culture in a not-for-profit organization.
- ❧ **The WorkPlace** serves more than 35,000 people and 400 businesses We have also led projects that cover the entire state of Connecticut, several states across the nation, and in Latin America.
- ❧ Currently operate nearly 20 programs for special populations and specific workforce needs.

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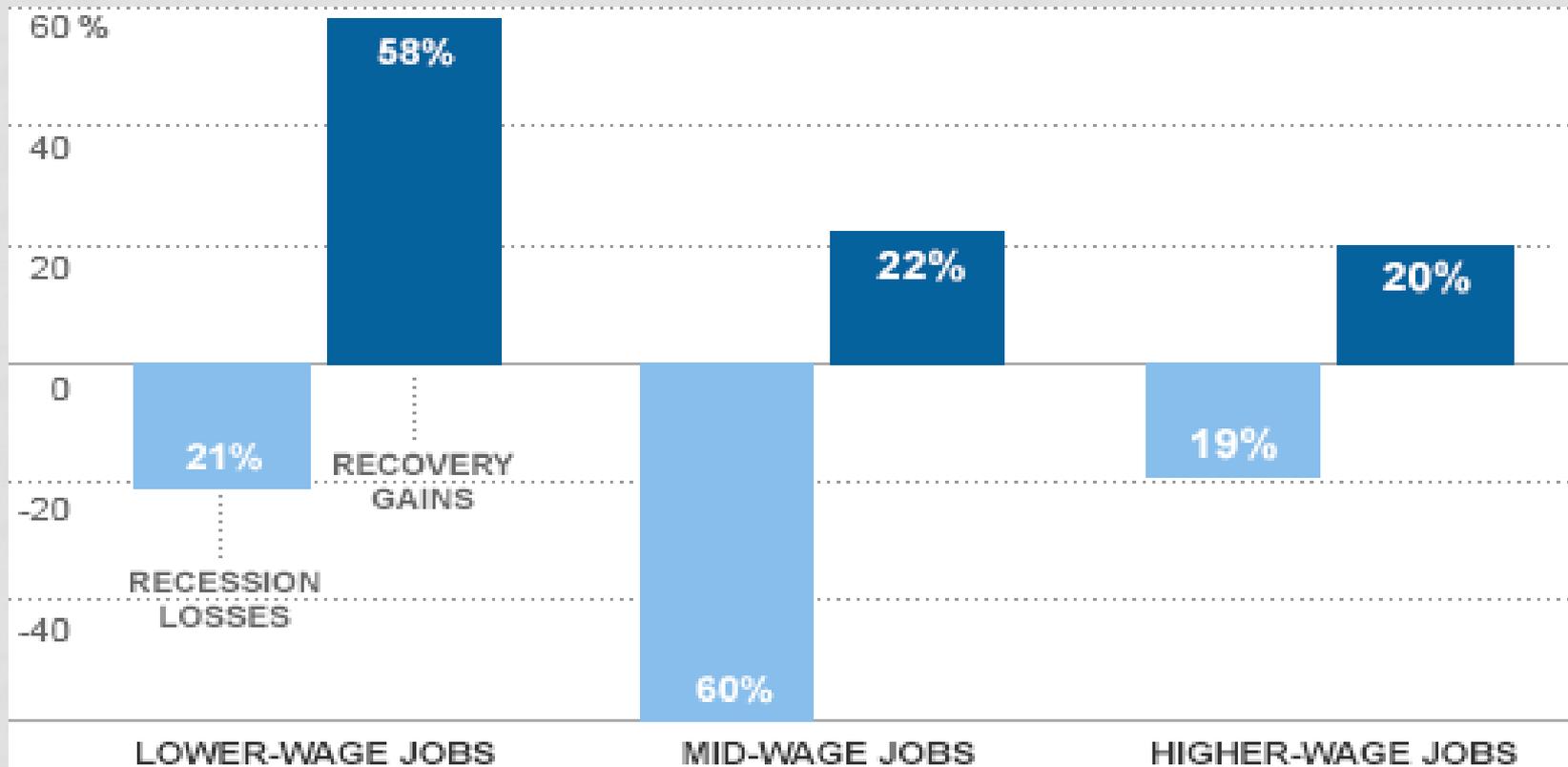
**REVIEW OF CURRENT ECONOMIC
AND EMPLOYMENT TRENDS**

COMMENTS ON UNEMPLOYMENT

- ✧ The labor market still has a significant jobs deficit, and the lack of demand for workers means unemployment durations remain high and wage growth for people with jobs remains low.
- ✧ **14.6%** = U-6 Rate “Real Unemployment” a broader, more inclusive measure of the country’s jobless picture. The total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons.
- ✧ According to the San Francisco Federal Reserve, the ***chances of landing a job after being out of work for a year fall to just 1 in 10 per month.***



Employment Growth Concentrated In Lower Wage Occupations



SOURCE: NATIONAL EMPLOYMENT LAW PROJECT

- *Lower-wage occupations* constituted 21 percent of recession job losses, but fully 58 percent of recovery growth.
- *Mid-wage occupations* constituted 60 percent of recession job losses, but only 22 percent of recovery growth.
- *Higher-wage occupations* constituted 19 percent of recession job losses, and 20 percent of recovery growth.

CHANGES UI BENEFIT PROGRAMS

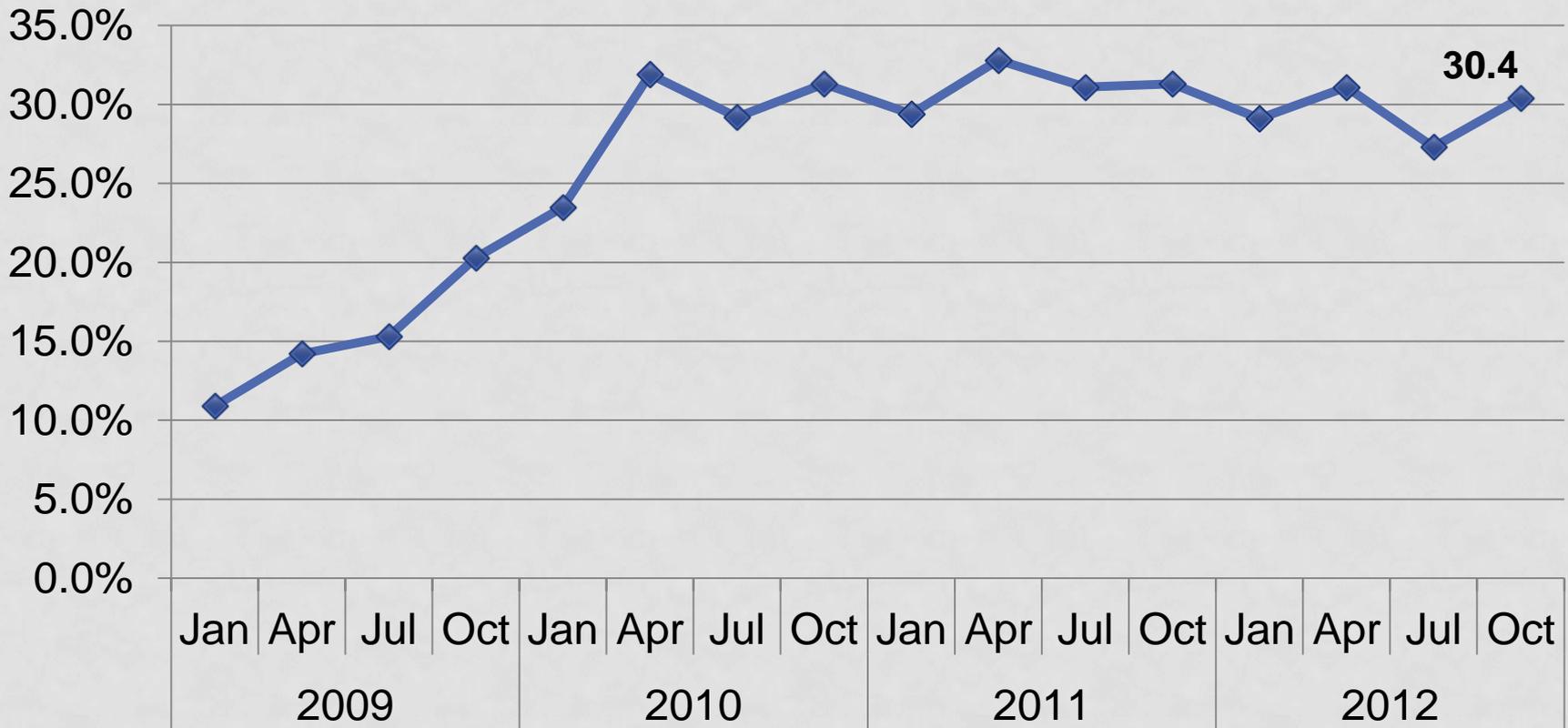
- ❧ The Middle Class Tax Relief and Job Creation Act of 2012 stipulates a number of changes to the federal UI programs including phased-in changes in the number of weeks of available benefits.
- ❧ The law is written with a hard cut-off and the last week of December 2012 is the final week to file a claim for federal benefits.
- ❧ This hard cut-off is unlike prior phase outs where claimants remained eligible to complete whatever EUC Tier they may have been in.

IS THE FEDERALLY FUNDED EXTENDED (UI) BENEFITS PROGRAM STILL NECESSARY?

- ✧ There are 5 million workers who have been unemployed for more than six months, more than *four times* the number of long-term unemployed in 2007.
- ✧ 40.6% of unemployed workers have been unemployed for more than six months, a share more than 20 percentage points higher than the 2007 average of 17.5 percent.
- ✧ The ratio of unemployed workers to job openings is 3.4-to-1, and has been 3-to-1 or greater since September 2008.
- ✧ Moody's Analytics projects an average unemployment rate of 7.8 percent in 2013, which is higher than the highest unemployment rate of the early 2000s recession and equal to the highest unemployment rate of the early 1990s recession (Moody's 2012).
- ✧ More than 5 million jobless workers will be unable to collect federal UI benefits next year if federal benefits are not renewed (NELP 2012).

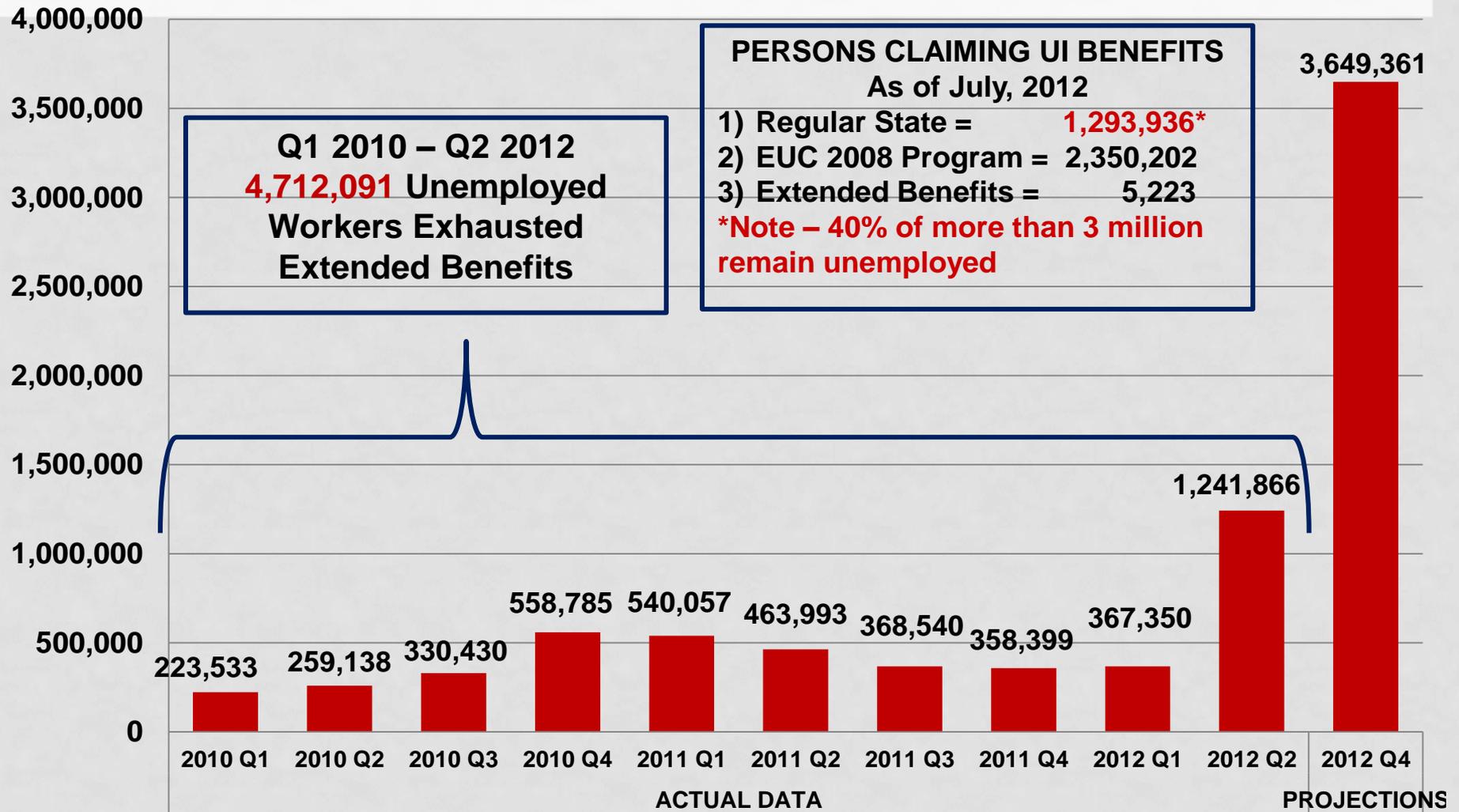
NATIONAL LONG-TERM UNEMPLOYMENT TREND

% of Unemployed Worker Who Remain Unemployed For More Than 52 Weeks



Source: Connecticut Department of Labor

NATIONAL UNEMPLOYMENT INSURANCE EXHAUSTION OVER 8 Million Exhaust Benefits



NOTHING SHORT OF A NATIONAL EMERGENCY

- ☞ The latest Census figures show that 17 states had increases in the number of people living in poverty between 2010 and 2011.
 - The Census defines people in deep poverty when they make 50% below the poverty line, which is \$23,050 for a family of 4.
- ☞ Children are casualties when their parents are not working.
- ☞ Increased poverty in these states is a reflection of the economy's slow recovery and anemic job growth.
- ☞ Millions of workers have been disconnected from the work force, and society. If they are not reconnected, the costs to them and to society will be grim.



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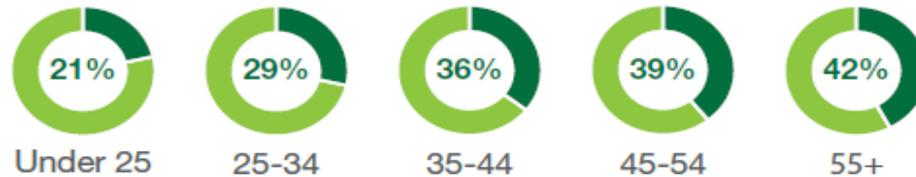
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**FINDINGS ON LONG-TERM
UNEMPLOYMENT AND KEY
ELEMENTS OF A SOLUTION**

WHO ARE THE LONG-TERM UNEMPLOYED?

- 42% of unemployed workers 55+ have been out for more than 52 weeks.
- All Education Levels are equally represented.
- Unemployed Asians & Blacks were the most likely to have been unemployed a year or longer.

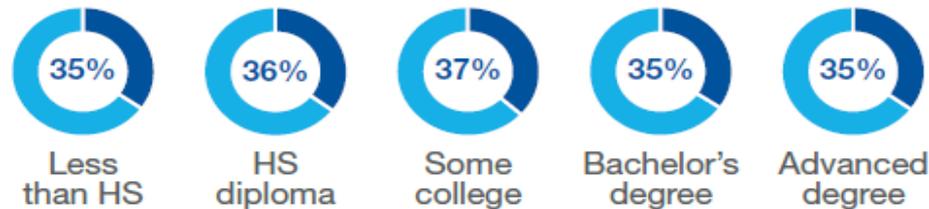
BY AGE



Percentage Unemployed for:

- Less than 52 weeks
- More than 52 weeks

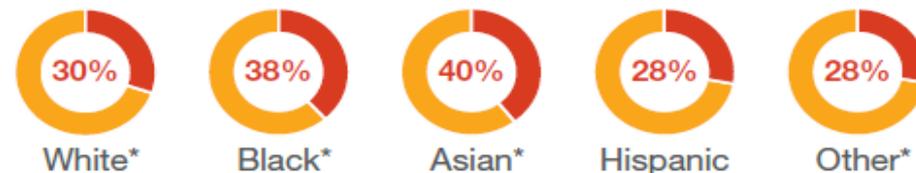
BY EDUCATION



Percentage Unemployed for:

- Less than 52 weeks
- More than 52 weeks

BY RACE/ETHNICITY

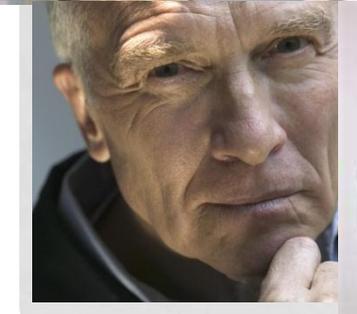
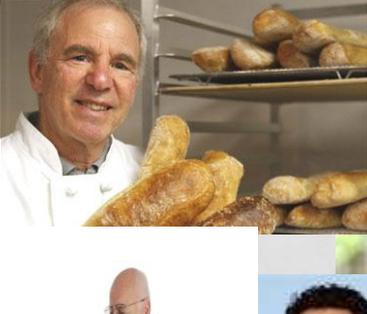


Percentage Unemployed for:

- Less than 52 weeks
- More than 52 weeks

*means non-Hispanic

Who are America's Jobless? They are US.



COMMON NEGATIVE PERCEPTIONS OF JOBSEEKERS WHO HAVE BEEN OUT OF WORK 52 WEEKS

- ❧ Long Term Unemployed have lost skills.
- ❧ They have lost touch with today's business environment.
- ❧ They are lazy and do not want to work.
- ❧ They are unwilling to learn or take on lower level positions.
- ❧ Salary requirements will be too high.



Emotional Transition of Workers During Long-Term Unemployment

6 Mnths

- Begin cutting back on household expenses
- Begin to lose creativity and ability to respond to challenges
- Job seekers hide stress from family and friends
- Lose health insurance – can't afford COBRA - begin skipping regular health check-ups

1 Year

- Financial stability is in jeopardy - unemployment is not enough
- Personal savings become depleted
- Credit card debt begins to mount
- Children impacted as parents can no longer afford enrichment activities such as sports, music and clubs
- Depression and self doubt begin to impact jobseeker's outreach

18 Mnths

- Job search becomes desperate, some seek hourly employment and are turned away as. "Over qualified"
- Default on loans and mortgage. Bills go unpaid
- Communication and technical skills atrophy
- Physical health begins to decline as depression sets in and physical activity minimizes.

2 Years

- Divorce
- Families face foreclosure
- Suffer from low self-esteem
- No longer engage in activity that gives a person a sense of contribution
- Suffer from substance abuse and dependency on drugs and alcohol
- Lose, passion, open-mindedness, curiosity

ENTREPRENEURIAL APPROACH TO FUNDING

- ❧ Regardless of the resolution to the current budget challenges there will be few opportunities to for new competitive funding.
- ❧ The current economic situation requires a social, entrepreneurial approach to workforce development.
- ❧ Research how alternative funding sources can fill the gap and if they are a good fit for your organization.
 - **Foundations** – local, state, national
 - **Corporate** – philanthropic, support for custom projects
 - **Business Ventures** – fee-for-service opportunities,
 - **Alternative Funding** – Social Innovation Bonds, Pay-for-Success model programs

As Seen On



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www.platformtoemployment.com

OUR EXPERIENCE HAS TAUGHT US THE FOLLOWING

- ❧ Long term unemployment shatters a workers confidence, rendering them unable to complete for employment.
- ❧ There is a call to establish a new standard of “Comprehensive” service in the One Stops which address the need for emotional support.
- ❧ We have entered a new world with higher standards to meet employer demand for skilled labor.
- ❧ Eliminating employer risk in hiring decisions is the key.

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- ❧ Workers were selected from a **diverse pool of candidates.**
 - Sent letters to more than 1,400 unemployed workers
 - Received 392 applications
 - Interviewed 164 people
- ❧ **100** workers enrolled in pilot program which began last summer.
- ❧ **A Social Enterprise** supported by an “IPO” type investment.
- ❧ **\$6,000** per worker investment from private funders.
 - Corporate Donors: AT&T, Northeast Utilities, Xerox
 - Foundations: Wells Fargo Foundation, Fairfield County Community Foundation, JPMorgan Chase Foundation
 - Individual contributors looking to make a difference in their community.

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Coaching & Facilitation of Job Seeker Workshops: Career Team

Provide the long-term unemployed a springboard to re-enter the workforce.

- ☞ Employers are no longer caretakers, candidates must be accountable and "Own Their Career"
- ☞ Employer loyalty has disappeared, candidates should learn to be *CEO* of their own personal services company
- ☞ This economy is forcing all job seekers to regularly reinvent themselves.
- ☞ Social Media must be understood and utilized
- ☞ Candidates must develop and articulate a UVP (*Unique Value Proposition*)
 - The best candidates demonstrate how (their skills and abilities) accelerate the employers mission; the best wins!
 - Candidates should focus on saving employers MET (*Money, Energy and Time*).

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BEHAVIORAL
HEALTH CONSULTANTS, LLC

Employee Assistance Services & Family Supports

Long term unemployment is a trying time both for the unemployed and their families. In order to enhance the effectiveness of the P2E program, Behavioral Health Consultants LLC. provides an Employee Assistance Program to the participants and their immediate families.

The program includes:

- ☞ Five visits with a licensed mental health professional.
- ☞ An initial individual psychiatric and readiness to work evaluation.
- ☞ Participants can receive referrals to ongoing treatment and have the opportunity to learn skills to manage their stress.
- ☞ Through P2E we also be provide support groups to participants and their families if needed.

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Risk-free, Work Experience Program.

Respond to paradigm change = Buyers Market

- ❧ Subsidized Employment Opportunities Provides Short Term Employment (8-weeks) First 4 wks subsidized ... next 4 wks match
- ❧ Workers are on the payroll of The WorkPlace!
- ❧ Employers can walk away at any point
- ❧ Remove employer liability / risk / paperwork (*often associated with On-the-Job Training programs*)

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PLACEMENT UPDATE AS OF DEC. 2012

Cohort/ Grad. Date	# of Graduates	# Dropped from Program	# Placed In Work Exp	% Placed In Work Exp	Referred to Training or In Job Search	# Hired After Work Exp	% Hired After Work Exp
1	16	2	14	100%	0	14	100%
2	18	2	10	63%	6	8	80%
3	25	2	21	91%	2	20	95%
4	18	2	15	94%	1	12	80%
5	23	1	13	59%	9	11	85%
TOTALS	100	9	73	80%	18	65	89%

Work Experience Placements: 73 out of 91 (total graduates – dropped from program) = 80%

Participants Hired: 65 out of 73 participants moved into fulltime employment = 89%

Overall Success Rate: 65 out of 91 participants entered fulltime employment = 71%

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COHORTS SPONSORED BY:



	# of Graduates	# Dropped from Program	# Placed In Work Exp	% Placed In Work Exp	Referred to Training or In Job Search
CLASS 1	21	1	16	80%	4
CLASS 2	21	1	11	55%	9
TOTALS	42	2	27	68%	13

Class 2 Graduated October 25th.

ABOUT PLACEMENTS

- ❧ Salaries range between \$23,000 and \$72,000.
- ❧ Industry Placements Include; Construction, IT, Financial Services, Non-profits, Healthcare and Education.
- ❧ Positions include; Account Executives, IT Director, Accounts Payable, Medical Records Scanning, Warehouse Supervisor



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REPLICATION

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Community Development



- | | |
|---------------------------------|--------------------------------|
| 1. Boston, MA | 6. Detroit, MI |
| 2. <u>Chicago, IL</u> | 7. <u>San Diego, CA</u> |
| 3. <u>Cincinnati, OH</u> | 8. San Francisco, CA |
| 4. <u>Dallas, TX</u> | 9. Miami, FL |
| 5. Denver, CO | 10. Minneapolis, MN |

- » \$250,000 from the Wal-Mart Foundation to serve two cohorts of 20 veterans.
- » \$300,000 from Citi Community Development, to provide training to improve household money management skills and begin to rebuild credit.
- » Funding from AARP Foundation to support cohorts in each of these cities. Program will be rolled out starting with 4 to 5 cities. Population served will be 50+ years of age.
- » Replication sites will begin classes in early 2013.

CREATING A LOCAL FORCE RESPONSE WITHOUT GREAT EXPENSE

- ⌘ Begin Round Table Discussions to elevate issues.
- ⌘ Work with state officials to evaluate if services are in place to respond to unique needs.
- ⌘ Become leaders of a systemic response to long term unemployment.



WE HAVE A MORAL CHALLENGE

- ❧ 99ers are slipping further away from ever having a chance for employment.
- ❧ Society will give us a “pass” if we chose to do nothing.
- ❧ As a society we must choose if we are going to make an investment in our workforce or make payments to support the social service network.
- ❧ As a nation we are at a crossroads with two distinctly different options.



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THANK YOU

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